

**State of Alaska
FY2008 Governor's Operating Budget**

**Department of Public Safety
Alcoholic Beverage Control Board
Component Budget Summary**

Component: Alcoholic Beverage Control Board

Contribution to Department's Mission

Protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce.

Core Services

- Regulate alcoholic beverage commerce.
- License qualified persons to sell alcoholic beverages.
- Provide accurate liquor license and licensee information to the public.
- Provide up-to-date local option status of Alaska communities to the public.
- Enforce state laws governing alcoholic beverage commerce.
- Assist and train municipal police and Alaska State Troopers in alcoholic beverage law enforcement.

End Results	Strategies to Achieve Results
<p>A: Eliminate harm to the public from underage access to alcoholic beverages.</p> <p><u>Target #1:</u> Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons under 21 years of age.</p> <p><u>Measure #1:</u> % rate of compliance with law prohibiting sale of alcoholic beverages to underage persons.</p>	<p>A1: Have ABC Board investigators and law enforcement conduct compliance checks statewide.</p> <p><u>Target #1:</u> Conduct the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB/KPB-50%, R-ON-35%, R-OFF-25%.</p> <p><u>Measure #1:</u> % of liquor licensees, by region, subjected to annual compliance checks.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Increase deterrence for selling to young-looking persons. • Recruit, hire, and train ABC Investigators. Recruit and train underage "assets" for compliance checks. • Communicate regarding success or failure with compliance check. • Notice of violations for licensees failing compliance checks. 	<ul style="list-style-type: none"> • Criminal citation for clerks/servers selling to underage persons. • Follow-up checks timely for licensees that fail compliance check. • Accusations against serial failures of compliance checks. • Suspend liquor licenses and levy fines on licenses convicted of selling alcohol to underage persons and other related Title 4 violations.

FY2008 Resources Allocated to Achieve Results							
<p>FY2008 Component Budget: \$1,379,700</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Full time</td> <td style="text-align: right;">9</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">9</td> </tr> </table>	Full time	9	Part time	0	Total	9
Full time	9						
Part time	0						
Total	9						

Performance Measure Detail

A: Result - Eliminate harm to the public from underage access to alcoholic beverages.

Target #1: Attain a rate of 95% compliance by liquor licensees statewide with law prohibiting the sale of alcoholic beverages to persons under 21 years of age.

Measure #1: % rate of compliance with law prohibiting sale of alcoholic beverages to underage persons.

% rate of compliance with law prohibiting sales to underage persons (fiscal year)

Fiscal Year	YTD Total
FY 2004	96.28%
FY 2005	95%
FY 2006	87.56%

Analysis of results and challenges: In FY2006, the ABC Board issued 178 Notices of Violation for Serving Minors due to its vigorous Underage Compliance Check Program. (Under supervision of an Alaska State Trooper, an underage person is sent onto liquor licensed premises to test server/clerk on whether the sale of alcohol is made to someone who is obviously under the age of 21.) The program operated at a high level of activity for eleven months. These 178 violations among the 1,431 beverage dispensary, restaurant, club, and package store licenses equal an 87.56% compliance rate. This represents a compliance rate more than 7% below the ABC Board target of 95%. This decline in compliance rate is due to the increased number of compliance checks conducted and an increased concentration on bars, restaurants, and clubs. In past years, the compliance check program concentrated more on package stores because those checks were easier to perform. The failure rate is higher for licensed premises that have historically not been tested at such a high rate. Funding for compliance checks is limited and restricts the ability of the program to check rural parts of the state due to the expense of time and travel to check the relatively few licenses located in outlying areas.

A1: Strategy - Have ABC Board investigators and law enforcement conduct compliance checks statewide.

Target #1: Conduct the following percentages of annual compliance checks for all areas of beverage dispensary, restaurant, club, and package store licensees on schedule: MOA-75%, FNSB-50%, CBJ-50%, SE-35%, MSB/KPB-50%, R-ON-35%, R-OFF-25%.

Measure #1: % of liquor licensees, by region, subjected to annual compliance checks.

Target % of Liquor Licenses, by Region, Subjected to Annual Compliance Checks (fiscal year)

YEAR	MOA	FNSB	CBJ	SE	MSB/KPB	R-ON	R-OFF
	75%	50%	50%	35%	50%	35%	25%

Actual % of Liquor Licenses, by Region, Subjected to Annual Compliance Checks (fiscal year)

YEAR	MOA	FNSB	CBJ	SE	MSB/KPB	R-ON	R-OFF
2005	34.0%	57.0%	76.0%	0.0%	27.0%	12.0%	0.0%
2006	63.3%	78.9%	98.6%	19.8%	44.9%	17.7%	12.6%

MOA – Municipality of Anchorage

FNSB – Fairbanks North Star Borough and the cities within the borough

CBJ – City and Borough of Juneau

SE – Southeast Alaska, except Juneau

MSB/KPB – Matanuska-Susitna and Kenai Peninsula Boroughs, and the cities within the boroughs

R-ON – Rural communities on the road system

R-OFF – Rural communities off the road system

Analysis of results and challenges: During FY2006, the compliance check program showed impressive

improvement due to the retention of a state trooper running the program. The number of compliance checks depends on adequate funding for staff and travel to pay for an aggressive enforcement effort.

Key Component Challenges

Investigator staffing remains at levels below that which existed prior to the construction of the Trans-Alaska Pipeline. Inadequate staffing prevents proactive enforcement and increases the danger to the public attributable to underage drinking and alcohol -related accidents and deaths.

Implementation of a system to allow acceptance of payment for licenses, permits, and fines by credit card could assist in the handling and tracking of receipts for services.

New licenses for "outdoor recreation lodges" resulting from legislation passed in 2005 are presenting new challenges for the board. Many of these lodges are located in rural parts of the state and board staff are balancing concerns from nearby communities, many of which restrict alcohol possession by local option, with the right of lodge owners to acquire and operate lodge licenses that allow service only to their guests and off-duty staff.

It is vital that the ABC Board maintain and improve its data base system to insure that accurate and timely information on liquor licenses and licensees is available to law enforcement agencies and the public. The ABC Board database will continue to be expanded and improved to incorporate license enforcement information.

Significant Changes in Results to be Delivered in FY2008

The ABC Board should be able to provide more access to information regarding liquor licenses on its web site. This will provide the public, local governments, and law enforcement agencies much more useful information regarding the sale of alcohol in Alaska.

Enforcement of underage drinking laws will continue as a priority as long as staffing of the program remains stable. It is hoped that increased enforcement will encourage those selling alcohol to take more care to insure underage persons are not served. This will result in a drop in the failure rate.

The ABC Board, with installation of an improved database in FY2007, will be able to do a better job of keeping track of liquor licensee activity, changes in ownership and location of licenses, tracking receipt of money and reconciling funds received, and providing useful information regarding liquor licenses.

Major Component Accomplishments in 2006

- Resolved 100 percent of civil accusations and local government protests of licenses by imposing ABC Board sanctions.
- Conducted inspections in remote areas of Alaska and conducted 856 premise inspections.
- Successfully administered Enforcing Underage Drinking Laws Program grant conducting 867 compliance checks throughout the state.

Statutory and Regulatory Authority

AS 04
13 AAC 104

Contact Information

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**Alcoholic Beverage Control Board
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	787.2	818.7	932.5
72000 Travel	25.8	28.3	28.3
73000 Services	283.9	399.0	399.0
74000 Commodities	16.9	6.6	6.6
75000 Capital Outlay	0.0	13.3	13.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,113.8	1,265.9	1,379.7
Funding Sources:			
1004 General Fund Receipts	0.0	1.7	1.7
1005 General Fund/Program Receipts	1,013.8	1,106.7	1,220.5
1007 Inter-Agency Receipts	100.0	157.5	157.5
Funding Totals	1,113.8	1,265.9	1,379.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	921.7	0.0	0.0
Unrestricted Total		921.7	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	100.0	157.5	157.5
General Fund Program Receipts	51060	1,013.8	1,106.7	1,220.5
Restricted Total		1,113.8	1,264.2	1,378.0
Total Estimated Revenues		2,035.5	1,264.2	1,378.0

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	1,108.4	0.0	157.5	1,265.9
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.2	0.0	0.0	0.2
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	113.6	0.0	0.0	113.6
FY2008 Governor	1,222.2	0.0	157.5	1,379.7

Alcoholic Beverage Control Board Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>			
			Annual Salaries		548,807
Full-time	9	9	Premium Pay		0
Part-time	0	0	Annual Benefits		411,733
Nonpermanent	0	0	<i>Less 2.92% Vacancy Factor</i>		(28,040)
			Lump Sum Premium Pay		0
Totals	9	9	Total Personal Services		932,500

Position Classification Summary						
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total	
Administrative Assistant	1	0	0	0	1	
Business Reg Examiner	2	0	0	0	2	
Division Director	1	0	0	0	1	
Investigator III	1	1	1	0	3	
Investigator IV	1	0	0	0	1	
Records & Licensing Spvr	1	0	0	0	1	
Totals	7	1	1	0	9	